

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

MAYWEATHER PROMOTIONS, LLC,

Plaintiff,

v.

PAC ENTERTAINMENT WORLDWIDE LLC,

Defendant.

Civil Case No. _____

COMPLAINT

Plaintiff Mayweather Promotions, LLC (“Mayweather Promotions”), by and through its undersigned counsel, allege as follows against Defendant PAC Entertainment Worldwide LLC (“PAC”):

NATURE OF THE ACTION

1. Floyd Mayweather—widely considered the greatest boxer of his generation—will participate in an exhibition bout with controversial social media star, Logan Paul in Miami, Florida next month. Since its announcement, the exhibition bout gained immense media attention, but planning the exhibition was far from simple.

2. After the exhibition bout between Mayweather and Paul was announced, the search for a suitable venue began. PAC approached Mayweather Promotions to pitch the idea of hosting the event in Dubai. PAC informed Mayweather Promotions that it had numerous business contacts in Dubai, had the financial wherewithal and capability to host a fight of this magnitude and presented financial projections estimating the fight could generate guaranteed amounts for each participant, plus result in the promoters earning more than \$100 million in profits after covering all purses and expenses. After extended negotiations, with both sides represented by counsel, the parties struck a deal.

3. The financial terms required PAC to make timely and guaranteed installment payments totaling \$110 million to Mayweather Promotions on a specified schedule. Shortly after signing an agreement, dated March 21, 2021, PAC breached the agreement when it defaulted on its very first payment. Mayweather Promotions and PAC then entered into a March 31 Agreement which restated the terms of the March 21 Agreement, but modified the Guaranteed Payments to \$115 million spread out over a different schedule to accommodate PAC. But PAC defaulted on the first payment under that schedule as well, putting itself in breach of the March 31 Agreement.

4. Realizing that PAC could not or would not live up to the terms of its contracts, Mayweather Promotions had no choice but to shoulder the heavy burden of finding a new venue and planning the exhibition bout in Miami, Florida, which resulted in further delay and event expenses, which PAC had agreed to cover.

5. This action is brought to remedy PAC's unequivocal breach of contract, and to compensate Mayweather Promotions for the amounts due under the signed agreement as well as consequential damages incurred as a result of PAC's breach.

THE PARTIES

6. Plaintiff Mayweather Promotions, LLC (defined above as "Mayweather Promotions"), is a Nevada limited liability company with its principal place of business in Las Vegas, Nevada.

7. Defendant PAC Entertainment Worldwide LLC (defined above as "PAC") is a Delaware limited liability company with its principal place of business in New York, New York.

JURISDICTION AND VENUE

8. This Court has subject matter jurisdiction over this matter pursuant to 28 U.S.C. § 1332 because the matter in controversy exceeds the sum or value of \$75,000, exclusive of interest

and costs, and is between Plaintiff Mayweather Promotions, incorporated and having its principal place of business in Nevada, and Defendant PAC, incorporated in Delaware and having its principal place of business in New York.

9. The Court has general personal jurisdiction over PAC because PAC's principal place of business is New York, rendering PAC "at home" in New York for the purposes of general personal jurisdiction.

10. Venue in this Court is proper pursuant to 28 U.S.C. § 1391(b) because the Defendant's principal place of business is within this District and because a substantial part of the events giving rise to the claim occurred within this District.

FACTUAL ALLEGATIONS

11. Floyd Mayweather is widely considered the greatest boxer of his generation. He has fought, and beaten, legendary fighters like Manny Pacquiao, Oscar De La Hoya, Shane Mosley, Miguel Cotto, Canelo Alvarez, and Juan Manuel Marquez. He reigned as the number one "pound for pound" fighter in the world for years. And in addition to his Olympic medal, he won world titles at 130, 135, 140, 147, and 154 pounds. ESPN ranked Mayweather the greatest boxer, pound for pound, of the last 25 years. Mayweather retired in 2015 with an undefeated record. "Mayweather" is a household name, and is synonymous with greatness.

12. Floyd Mayweather is not just a boxer, but also a proven boxing promoter. Mayweather Promotions is Floyd Mayweather's live entertainment promotion company. And it promoted, among many other bouts, Floyd Mayweather's fights with Manny Pacquiao and Conor McGregor—two of the most commercially successful fights of all time.

13. Logan Paul is a young, social media star. He gained notoriety as a YouTube host, internet personality, actor, podcast host, and most recently—boxer. He has millions of followers on YouTube, placing him amongst the most subscribed channels on the platform.

14. After several amateur boxing matches, Paul made his professional boxing debut in 2019 against fellow YouTuber “KSI.”

15. In December 2020, it was announced that Mayweather would fight Paul in an exhibition bout. Although the exhibition was originally scheduled for February 2021, it was postponed because of the lingering pandemic, in order to find a suitable venue (that allowed fans) and to successfully promote the event. In March 2021, PAC approached Mayweather Promotions about hosting the exhibition bout in Dubai.

16. PAC presented a deck to Mayweather Promotions highlighting PAC’s extensive business experience, financial resources, and logistical ability to host an event of this size. Further, PAC made representations to Mayweather Promotions that PAC was “well connected” in Dubai and that the event would be a financial success. PAC presented financial projections estimating net profits to the promoters in excess of \$100 million after covering guaranteed payments to the participants, plus expenses.

A. The March 21, 2021 Agreement

17. On March 21, 2021, PAC and Mayweather Promotions entered into an agreement which gave PAC, *inter alia*, the right to host the event in Dubai, plus rights to distribute the event in limited territories (“the March 21 Agreement”). In exchange, PAC would pay Mayweather Promotions a minimum guaranteed amount of \$110 million, on a prescribed payment schedule from March 25, 2021 to May 9, 2021 (the “Guaranteed Payments”).

18. The March 21 Agreement expressly provided that if PAC failed to pay any of the Guaranteed Payments or other amounts due under the contract, Mayweather Promotions could

immediately terminate the agreement. The March 21 Agreement specifically provided that in the event of non-payment, PAC must immediately pay the balance of the Guaranteed Payments and that Mayweather Promotions could retain any Guaranteed Payments that it already received or, that were now payable.

19. Clauses that guarantee a fixed amount, regardless of whether an event comes to fruition are frequently used in entertainment contracts to secure talent and aid in promotion of events. Such clauses benefit both parties, by protecting the “talent” against losses incurred should the project not go forward, and the “producer” to help secure talent, promote the event, and provide a clear “walk away” amount should it be necessary.

20. Under the March 21 Agreement, PAC’s first Guaranteed Payment of \$30 million to Mayweather Promotions was due on March 25, 2021.

21. PAC failed to make the March 25 payment.

22. Accordingly, Mayweather Promotions terminated the March 21 Agreement in writing, shortly after the breach.

B. The March 31, 2021 Agreement

23. On March 31, 2021, PAC and Mayweather Promotions entered into a new agreement (the “March 31 Agreement”).¹ The parties agreed that the March 31 Agreement restated and superseded the March 21 Agreement, which—in any event—had been breached and terminated six days prior.

24. Leonard Ellerbe, CEO, executed the contract on behalf of Mayweather Promotions, and Aaron Pilchick, President, executed the contract on behalf of PAC.

¹ The March 21 and March 31 Agreements between Mayweather Promotions and PAC contain confidentiality provisions. As such, the actual agreements are not included with the Complaint and only the relevant terms are described generally rather than quoting verbatim. These agreements will be filed separately under seal, pending leave of court.

25. The March 31 Agreement gave PAC, *inter alia*, the right to host the event in Dubai, plus rights to distribute the event in certain territories. In exchange, PAC would pay Mayweather Promotions Guaranteed Payments totaling \$115 million, on a prescribed payment schedule from March 31, 2021 to June 2, 2021.

26. Like its predecessor agreement, the March 31 Agreement expressly provided that if PAC failed to pay any of the Guaranteed Payments or other amounts due under the contract, Mayweather Promotions could immediately terminate the agreement. The March 31 Agreement also specifically provided that in the event of non-payment, PAC must immediately pay the balance of the Guaranteed Payments and that Mayweather Promotions could retain any Guaranteed Payments that it had already received or, that were now payable.

27. In addition, the March 31 Agreement stated that PAC's non-payment of any of the Guaranteed Amounts or other amounts due ***automatically terminates*** all of PAC's rights under the contract, including PAC's right to host the live event and to distribute the event in the agreed-upon territory.

28. Under the March 31 Agreement, PAC's first Guaranteed Payment of \$15 million to Mayweather Promotions was due on April 1, 2021.

29. PAC failed to make the April 1 payment and all subsequent Guaranteed Payments.

30. Under the March 31 Agreement, PAC also agreed to pay Mayweather Promotions \$7.6 million, no later than April 15, 2021, for expenses that Mayweather Promotions would incur for travel, lodging, per-diem, security, purses for the undercard, and other production expenses related to the event (the "Expense Amount").

31. PAC failed to make the \$7.6 million Expense Amount payment by April 15, 2021. To date, PAC has not paid Mayweather Promotions any of the \$7.6 million owed under the Expense Amount.

32. Under the March 31 Agreement, PAC also agreed to indemnify Mayweather Promotions against any third-party claims arising from PAC's material breach of the agreement, including outside counsel fees and expenses.

C. Mayweather Promotions Terminates the March 31 Agreement

33. On April 7 and April 9, 2021, PAC paid Mayweather Promotions \$5 million each, in an attempt to off-set its growing damages and in a last ditch effort to lure Mayweather Promotions into yet another amended contract. Mayweather Promotions wisely declined to engage in further dealings with PAC.

34. PAC unequivocally breached the March 31 Agreement when it failed to pay Mayweather Productions its \$115 million in Guaranteed Payments, and the \$7.6 million Expense Amount.

35. Accordingly, PAC's rights under the contract, including PAC's right to host the live event and to distribute the event in the agreed-upon territory were automatically terminated.

36. Mayweather Promotions sent a letter, dated May 13, 2021, confirming termination of the March 31 Agreement, including all rights PAC may claim under the March 31 Agreement.

D. Mayweather Promotions Continues To Incur Costs To Re-Plan the Exhibition Bout in Miami

37. Determined to proceed with the much anticipated event, Mayweather Promotions shouldered the heavy burden of re-planning the exhibition bout. Mayweather Promotions secured a new venue in Miami and handled all logistics to plan, promote and distribute the now revived event.

38. As a result of the delay caused by PAC's breach, Mayweather Promotions lost significant market opportunities to capitalize on the timing and profitability of this exhibition fight, in amounts that will be proved up at trial.

CAUSES OF ACTION

COUNT I

Breach of Contract (NDA)

New York Law

39. Mayweather Promotions incorporates and realleges the foregoing paragraphs by reference as though fully set forth herein.

40. The March 31 Agreement is a valid, binding, and enforceable agreement that was executed by Mayweather Promotions and PAC.

41. The March 31 Agreement granted PAC, *inter alia*, the right to host the event in Dubai, with limited rights to distribute the event in certain territories. In exchange, PAC was expressly obligated pay Mayweather Promotions a schedule of Guaranteed Payments totaling \$115 million, from March 31, 2021 to June 2, 2021.

42. PAC was also obligated to pay Mayweather Promotions \$7.6 million in advance (and no later than April 15, 2021) for expenses Mayweather Promotions would incur in arranging the event.

43. As explained more fully in paragraphs 17 through 38, PAC breached the contract when it failed to pay the \$115 million of Guaranteed Payments and the \$7.6 million Expense Amount. As a result of these breaches, the Guaranteed Payments and Expense Amount became due and payable immediately, which PAC has not paid.

44. Mayweather Promotions fulfilled all of its obligations under the March 31 Agreement, up and until PAC's material breach.

45. As a result of these breaches, Mayweather Promotions was damaged, in an amount to be proven at trial.

PRAYER FOR RELIEF

WHEREFORE Plaintiff Mayweather Promotions LLC demands judgment against Defendant PAC Entertainment Worldwide LLC as to the Count I of the Complaint stated against it, for:

- a) \$122.6 million due as “Guaranteed Amounts” and “Expense Amount” under to the March 31 Agreement;
- b) Compensatory damages;
- c) Consequential damages;
- d) Reasonable attorneys’ fees and costs, including those pursuant to the Agreement;
- e) Prejudgment interest;
- f) Any and all other relief the Court deems just and proper.

Dated: New York, New York
May 14, 2021

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